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Office of the Minister for Land Information

Cabinet Legislation Committee

Crown Land Legislation Amendment Bill: Approval for Introduction

Proposal

- 1 This paper seeks approval for the introduction of the Crown Land Legislation Amendment Bill (the Bill).

Policy

- 2 The Crown Pastoral Land Act 1998 (CPLA) and the Land Act 1948 (the Land Act) provide the statutory framework for managing Crown pastoral land and other Crown land, including processes for pastoral activities, permissions for land use, and the functions and powers of the Commissioner of Crown Lands (the Commissioner).
- 3 The Bill supports the Government's agenda for delivering economic benefit through increasing the productive use of Crown land. The Bill introduces a secondary-use permit system and establishes a pathway to reclassify and sell or lease land from the Crown pastoral estate by the agreement of the lessee. The Bill also improves the consenting framework for discretionary pastoral activities by revising and clarifying permitted and discretionary activities and improving the administration of Crown land by the Commissioner.

Key changes the Bill makes to the CPLA and the Land Act

- 4 The Bill gives effect to the following policy decisions made by Cabinet on 8 December 2025 [CAB-25-MIN-0452 refers]:

Introducing a secondary use permitting system

- 4.1 establishing a secondary use permit that leaseholders may apply for to undertake activities other than pastoral farming: this includes a schedule of activities a permit may be granted for and a schedule of prohibited activities, both of which can be updated by Order in Council following consultation;
- 4.2 allowing the Commissioner to approve applications for secondary use activities with "no more than minor adverse effects" on inherent values and pastoral farming. For activities with "more than minor adverse effects", the Commissioner may approve applications where one or more additional criteria are met. The Commissioner must consult with relevant iwi for activities not listed in the schedule of activities a permit may be granted for;

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- 4.3 updating remedial action, enforcement, and infringement provisions so they apply to secondary use permits, ensuring a consistent compliance framework across all permissions granted for Crown pastoral land;
- 4.4 providing for land-use fees to be set for each secondary use permit to ensure a fair return to the Crown, and clarifying that Land Information New Zealand may recover the costs of processing secondary use, commercial recreation, and other commercial applications;

Improving discretionary pastoral activity consenting

- 4.5 revising and clarifying the list of permitted and discretionary pastoral activities, including simplifying pest-plant control permissions, clarifying routine maintenance of lawfully established infrastructure, clarifying repeat use, enabling additional low-risk activities, and standardising terminology;
- 4.6 clarifying the decision-making tests for discretionary pastoral activities, including enabling the Commissioner to consider positive effects that are integral to the activity and to consider the long-term viability of the pastoral enterprise, while continuing to prohibit the use of offsetting to reduce the level of adverse effects on inherent values;

Creating a pathway to reclassify and dispose of land from the Crown pastoral estate

- 4.7 introducing a three-stage pathway for reclassifying and selling or leasing land (land disposal) from the Crown pastoral estate following an application, where the public benefits of a proposed alternative land use outweigh the negative impacts on inherent values and ongoing pastoral farming:
 - 4.7.1 Stage 1 – Gateway test: the Minister for Land Information (the Minister) determines whether an application is capable of meeting the requirements of the statutory test for land reclassification;
 - 4.7.2 Stage 2 – Final decision: following further assessment and consultation, the Minister decides whether to approve land reclassification for the specified purpose, the Minister may impose terms and conditions on the grant of an application;
 - 4.7.3 Stage 3 – Reclassification and land disposal: the Commissioner undertakes reclassification and sale or lease under the Land Act, subject to any right of first refusal (RFR) obligations in Treaty settlement legislation and the terms of the Minister's decision;

Modernising the Land Act

- 4.8 clarifying that commercial filming and photography are commercial recreation activities;
- 4.9 allowing digital public notices in place of, or in addition to, newspaper notices;

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- 4.10 enabling the Commissioner to determine the most appropriate method for disposing of Crown land based on the circumstances of each case;
- 4.11 introducing a direction-to-remove power for unauthorised property on Crown land, and setting out related processes for the storage, valuation, auction or disposal of unclaimed property;
- 4.12 clarifying the Commissioner's powers to determine whether land is Crown land, waive or vary implied covenants, and extend or waive rehearing timeframes where justice requires it.

Further policy decisions on the land reclassification pathway made under Cabinet delegation

- 5 Cabinet agreed to create a three-stage pathway to reclassify land from the Crown pastoral estate by agreement (gateway test, final decision, and reclassification and land disposal). Under delegation [CAB-25-MIN-0452 refers], I made the following further decisions on the design of the new pathway, which the Bill incorporates:
 - 5.1 New Part 2 (Reclassification and disposal of Crown pastoral land for a specific use) in the legislation will include an overview explaining that decision makers must continue to seek a fair return for the Crown and support the Crown's relationship with Māori, but are not required to maintain or enhance inherent values or provide for pastoral farming, for decisions under this pathway. This makes it clear that the outcomes in section 4(1)(b) and (c) of the CPLA, and the recognition of Māori interests in section 5, will apply to the new land-reclassification pathway, but the outcome in section 4(1)(a) will not.
 - 5.2 The Commissioner will be empowered to decline incomplete, misleading, frivolous, or vexatious applications so that only complete applications that meet gateway requirements are forwarded to the Minister.
 - 5.3 The criteria the Minister must consider when deciding whether proposed public benefits outweigh negative impacts on inherent values and pastoral farming are: public benefits; Māori interests; effects on the land for pastoral farming; effects on inherent values; any other matters the Minister considers relevant (for example, effects on adjacent Crown land, cross-boundary impacts, or site appropriateness).
 - 5.4 Ministerial decisions made under the new pathway will be non-delegable. Because Ministerial decisions will be challengeable via judicial review, appeal rights will not be included in the legislation.
 - 5.5 To avoid any implication that a full assessment is required at the gateway stage, the legislation will use wording including "is capable of meeting" the requirements to signal a lower-threshold screening step (instead of the wording "reasonably likely" that was in the policy decisions Cabinet paper).
 - 5.6 The legislation will require applicants to demonstrate that they have secured any necessary statutory permissions as a precondition for the Crown reclassification of the land (as opposed to just planning permissions as

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proposed in the policy decisions Cabinet paper, which may inadvertently exclude other relevant permissions).

- 5.7 The Commissioner will have the discretion to decide whether to dispose of the land through a preferential or competitive allotment process (the status quo would have required competitive allotment, which may not be appropriate for all cases under the new pathway).
- 5.8 The Commissioner's decisions will not be subject to the existing rehearing and appeal processes in the Land Act where the decision is on a matter that is to be or has been decided by the Minister.
- 5.9 To ensure that the purpose for which the land is removed from the Crown pastoral estate is achieved, the legislation will empower the Commissioner to set terms and conditions and carry out ongoing monitoring.
- 5.10 To ensure similar levels of public transparency to other decisions made by the Commissioner, land-removal decisions will be required to be published alongside other CPLA decisions.
- 5.11 If an approved proposal fails to proceed or the land later reverts to the Crown, the legislation will require the Minister, on advice of the Commissioner, to decide whether the original decision can still be given effect to. If so, the Commissioner must proceed with land disposal accordingly (for example, by offering the opportunity to another party). If not, the Commissioner must reclassify the land as pastoral land and may re-lease the land as a pastoral lease (whether by adding to an existing lease or by a new lease). This ensures that ongoing protections for the land are reinstated if the public benefits for which it was removed from the Crown pastoral estate are not achieved.

Minor or technical amendments made following Cabinet policy decisions

- 6 Cabinet authorised me to make decisions on minor, technical, and consequential matters arising during drafting [CAB-25-MIN-0452 refers]. The following technical amendments have been made to give effect to Cabinet's policy intent and to ensure the legislation is operable and coherent.
- 7 *Information requirements and alignment with existing permit systems:* I have made a technical decision to amend the Crown Pastoral Land Regulations 2023 to prescribe information requirements in regulations for secondary use permit applications, mirroring the approach used for commercial recreation permits (for example, applicant details, description and location of the proposed activity, effects on inherent values, and financial projections or returns). This ensures consistent user experience across permissions under the CPLA and supports proportionate assessment.
- 8 *Standards and directives for consistent decision making:* To support consistency across applications and operational guidance, I have decided to enable the Commissioner and the Chief Executive of Land Information New Zealand to issue standards and directives about the framework for determining secondary use applications. This aligns the secondary use system with the commercial recreation

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permit system, supports transparent decision making, and does not alter decision rights.

- 9 *Consequential changes to fees and charges settings:* To avoid overlap with the Bill's charging provisions, I have made a technical decision to revoke the overlapping fee items for easements and commercial recreation permits in the Land Information New Zealand (Fees and Charges) Regulations 2003, and to rely on the Bill's updated fees and charges framework. This keeps the statute book coherent and prevents the fees framework being covered twice.
- 10 *Regulation-making power for secondary use permits:* I have decided to amend section 100R of the CPLA to provide that regulations may prescribe: the information to be provided in an application; matters the Commissioner must consider when assessing the level of adverse effects on inherent values; and fees and charges for applications. This ensures the regulation-making powers for secondary use permits are consistent with those already used for commercial recreation permits.
- 11 *Clarifications to listed permitted and discretionary pastoral activities and terminology:* I have made technical amendments to the schedules to: simplify and clarify permissions for pest-plant control, routine maintenance of lawfully established infrastructure, and repeat use of previously authorised activities; add low-risk maintenance activities; and standardise terminology. These adjustments improve readability and reduce unnecessary compliance costs without changing policy intent.
- 12 *Clarification of "offsetting" treatment:* In decision making under the CPLA, I have clarified that the Commissioner may consider on-site, integral, contemporaneous mitigation, rehabilitation, restoration or enhancement measures, but must not treat offsetting as reducing the level of adverse effects on inherent values. This resolves ambiguity identified by stakeholders.
- 13 *Commencement:* The Act will commence six months after Royal assent, to ensure the necessary operational and finance systems and processes are in place.
- 14 *CPLA–Land Act interface tidying:* During drafting, the Parliamentary Counsel Office identified and corrected a number of minor cross-references and terminology alignments between the CPLA amendments and the Land Act modernisation provisions (for example, the use of consistent defined terms and updates to headings and clause pointers). These are editorial and technical consequential changes to maintain internal coherence.

Further policy decisions sought from Cabinet

- 15 I seek Cabinet's agreement to further policy decisions that arose during drafting. These decisions are needed to ensure the new secondary-use system is aligned with existing permissions and is workable in practice.
- 16 I seek Cabinet's agreement to require the Commissioner to consult the Department of Conservation when considering applications for secondary use permits. This aligns the new secondary use system with the commercial recreation permit system and ensures decisions draw on conservation expertise about inherent values and likely effects.

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- 17 Proposed activities for inclusion in the schedule of secondary use activities a permit may be granted for were included in Appendix A of the December 2025 policy Cabinet paper [CAB-25-MIN-0542 refers]. I seek Cabinet’s agreement to remove the following activities from the schedule: “native plantation forestry” and “environmental restoration or enhancement activities, including carbon/biodiversity programmes involving indigenous vegetation, wetlands, or other activities beneficial to inherent values.”
- 18 Because these activities are long term in nature, it is not appropriate to include them in the schedule. This does not mean they cannot be permitted. However, the additional requirement for consultation with relevant iwi will apply.
- 19 Following feedback from Te Rūnanga o Ngāi Tahu, I seek Cabinet’s agreement to the following changes to the approval criteria for secondary use:
- 19.1 From the criterion, “the activity supports long-term maintenance or enhancement of inherent values when the lease is considered as a whole, or within the local Ecological District, or the South Island High Country,” remove the words “or within the local ecological district or the South Island high country.” The purpose of this criterion is to enable secondary uses that may have a more than minor impact on site-specific inherent values, but benefit inherent values across the lease as a whole. The criterion is clearer without the additional words.
- 19.2 From the criterion, “the activity supports, or does not preclude, the long-term viability of the lease for pastoral farming purposes,” remove the words “or does not preclude.” Removing these words better aligns the criterion with the purpose of the CPLA to support ongoing pastoral farming.
- 19.3 Remove the criterion, “the activity will result in significant social or economic benefit to the community or the nation.” Activities that offer significant social and economic benefits (especially on a national scale) will likely result in the displacement of pastoral farming as the primary activity, and are therefore unlikely to align with the purpose and outcomes of the CPLA.
- 19.4 Remove the reference to “anthropogenic hazards”. The natural-hazard test already provides the necessary coverage; a separate anthropogenic-hazard test adds little value and could create uncertainty about how far decision makers should go in assessing indirect or human-generated risks. Removing the term makes the criteria clearer and more practical to apply, while still allowing consideration of other relevant matters under the Act.

Impact analysis

- 20 A Regulatory Impact Statement (RIS) prepared in accordance with the necessary requirements was submitted at the time that Cabinet approved the policy decisions relating to the Bill. An addendum to the RIS has been prepared covering the subsequent decisions set out in this paper. The Quality Assurance Panel considers that the Addendum partially meets the quality assurance criteria, which reflects limitations in the evidence considered.

Compliance

- 21 An assessment of the Bill's consistency with the New Zealand Bill of Rights Act 1990 is in progress. A departmental disclosure statement has been prepared and is attached to this paper.

Consultation

- 22 The following departments were consulted: the Ministry for the Environment, the Ministry of Justice, Te Tari Whakatau, the Ministry for Primary Industries, the Department of Conservation, Te Puni Kōkiri, the Department of Internal Affairs, the Ministry of Business, Innovation and Employment, and New Zealand Police. The Treasury and the Department of the Prime Minister and Cabinet were informed.
- 23 Targeted consultation was carried out with stakeholders, including the High Country Advisory Group, the High Country Accord Trust and South Island iwi, as part of the policy development. Since Cabinet made policy decisions, additional detail was shared with Te Rūnanga o Ngāi Tahu. Te Rūnanga remain concerned with the objective of the secondary use permit system and consistency with Treaty settlement legislation. As noted above, I have made changes to the decision-making criteria for secondary use permits in response to their feedback.

Binding on the Crown

- 24 This Bill amends the Crown Pastoral Land Act 1998, which expressly binds the Crown, and the Land Act 1948 which does not expressly bind the Crown.

Associated regulations

- 25 No regulations will be needed to bring the Bill into operation.
- 26 The Bill will amend the Land Information New Zealand (Fees and Charges) Regulations 2003 to revoke fee items that overlap with the Bill's updated fees and charging framework, ensuring a coherent and non-duplicative system.
- 27 The Bill will amend the Crown Pastoral Land Regulations 2023 to set the information requirements for secondary use permit applications, including additional information on carrying capacity, effects on pastoral farming, and how the secondary use will support the long-term pastoral farming of the lease.

Other instruments

- 28 Section 100S of the CPLA provides for the Chief Executive of Land Information New Zealand and the Commissioner to set standards and issue directives. Any updates to the existing Commissioner's standard or the creation of a new Chief Executive standard for the framework for determining secondary use applications will be made prior to the commencement date.

Commencement of legislation

- 29 The Bill will come into force six months after the date of Royal assent to ensure the necessary operational and finance systems and processes are in place.

Parliamentary stages

30 I propose that the Bill be referred to the Primary Production Committee.

Proactive Release

31 Consistent with Cabinet Office Circular (23) 4, I propose to release this paper proactively, subject to due diligence requirements and redactions as appropriate under the Official Information Act 1982.

Recommendations

I recommend that the Cabinet Legislation Committee:

- 1 **note** that the Crown Land Legislation Amendment Bill (the Bill) holds a category 5 priority on the 2026 Legislation Programme;
- 2 **note** that the Bill will increase the productive use of Crown land by enabling appropriate new activities on Crown pastoral land, improving consent pathways for existing activities, and enabling land-use proposals that deliver wider public benefits.

Policy decisions to give effect to the land reclassification pathway made under delegation

- 3 **note** Cabinet authorised the Minister for Land Information to make further policy decisions and issue drafting instructions relating to the design of the reclassification pathway process [CAB-25-MIN-0452 refers];
- 4 **note** that the Minister for Land Information has made the following decisions during drafting to give effect to Cabinet's intent:
 - 4.1 include an overview clarifying that, for decisions under the land-reclassification pathway, decision makers must continue to seek a fair return and support the Crown's relationship with Māori, but are not required to maintain or enhance inherent values or provide for pastoral farming;
 - 4.2 empower the Commissioner of Crown Lands to decline incomplete, misleading, frivolous, or vexatious applications;
 - 4.3 the criteria the Minister for Land Information must consider when deciding whether the proposed public benefits outweigh negative impacts on inherent values and pastoral farming are: public benefits; Māori interests; effects on land for pastoral farming; effects on inherent values; and any other matters the Minister considers relevant;
 - 4.4 Ministerial decisions made under the new pathway will be non-delegable;
 - 4.5 appeal rights for Ministerial decisions will not be included in the legislation;
 - 4.6 adopt wording such as "capable of meeting" to clarify the gateway test is a lower threshold;

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- 4.7 require that all other statutory permissions necessary for the proposed use are secured before reclassification and land disposal proceeds;
- 4.8 enable the Commissioner of Crown Lands to decide whether to dispose of the land through a preferential or competitive allotment process;
- 4.9 the Commissioner of Crown Lands' decisions will not be subject to the existing rehearing and appeal processes in the Land Act 1948 where the decision is on a matter that is to be or has been decided by the Minister for Land Information;
- 4.10 empower the Commissioner of Crown Lands to set terms and carry out ongoing monitoring to ensure the purpose for which the land was reclassified is achieved;
- 4.11 provide for publication of land-removal decisions alongside other Crown Pastoral Land Act 1998 decisions to maintain transparency;
- 4.12 include a mechanism requiring the Minister for Land Information to determine whether an approved removal decision can still be given effect if a proposal fails or land reverts to the Crown, and empower the Commissioner of Crown Lands to reclassify and re-lease land as pastoral where appropriate.

Delegated technical, minor and consequential amendments

- 5 **note** the Minister for Land Information has made the following technical decisions to ensure the operability and coherence of the legislation under delegation:
 - 5.1 amend the Crown Pastoral Land Regulations 2023 to set information requirements for secondary use permit applications, preserving alignment with requirements for commercial recreation permit applications;
 - 5.2 enable the Commissioner of Crown Lands and the Chief Executive of Land Information New Zealand to issue standards and directives for secondary use permits;
 - 5.3 revoke overlapping fees in the Land Information New Zealand (Fees and Charges) Regulations 2023 to avoid duplication;
 - 5.4 enable the making of regulations prescribing information, assessment matters, and fee settings for secondary use permits;
 - 5.5 clarify and update permitted/discretionary activity lists and terminology in schedules to improve readability and reduce unnecessary compliance costs;
 - 5.6 clarify the treatment of offsetting so that only on-site, integral, contemporaneous mitigation, rehabilitation, or enhancement measures may be considered in decision making;
 - 5.7 set commencement of the Act at six months after Royal assent, allowing operational and finance systems to be in place;

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- 5.8 make minor cross-references and terminology alignments between the Crown Pastoral Land Act 1998 amendments and Land Act 1948 modernisation provisions.

Further policy decisions sought from Cabinet

- 6 **agree** to include an explicit requirement that the Commissioner of Crown Lands consult the Department of Conservation when considering secondary use permit applications, ensuring alignment with existing commercial recreation permit settings;
- 7 **agree** that “native plantation forestry” and “environmental restoration or enhancement activities, including carbon/biodiversity programmes involving indigenous vegetation, wetlands, or other activities beneficial to inherent values” not be included in the schedule of secondary use activities a permit may be granted for;
- 8 **agree** to the following changes to the criteria for secondary use applications with “more than minor adverse effects”:
- 8.1 from the criterion, “the activity supports long-term maintenance or enhancement of inherent values when the lease is considered as a whole, or within the local Ecological District, or the South Island High Country,” remove the words “or within the local ecological district or the South Island high country;”
- 8.2 from the criterion, “the activity supports, or does not preclude, the long-term viability of the lease for pastoral farming purposes,” remove the words “or does not preclude;”
- 8.3 remove the criterion, “the activity will result in significant social or economic benefit to the community or the nation;”
- 8.4 remove the reference to anthropogenic hazards.

Approval and parliamentary process

- 9 **approve** the Bill for introduction, subject to the final approval of the Government Caucus and sufficient support in the House of Representatives;
- 10 **authorise** the Parliamentary Counsel Office to make minor and technical changes that arise during drafting up until the Bill is introduced;
- 11 **agree** that the Government propose that the Bill be referred to the Primary Production Committee for consideration.

Authorised for lodgement

Hon Chris Penk

Minister for Land Information

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